

Insurance Company Annual Return for SBT and Retaliatory Tax

Issued under authority of P.A. 228 of 1975, as amended.

Check appropriate box.
☐ This is an original return
☐ This is an amended return

1. Company Name		2. Federal Employer ID Number (FEIN) or TR Number	
Address (No., Street)		3. Insurer Type (Check one)	
City, State, ZIP Code		<input type="checkbox"/> Foreign <input type="checkbox"/> Domestic	
Contact Person	Contact Person Telephone Number	4. State of Incorporation (2 letters)	

ADJUSTED RECEIPTS

5. Enter the amount of the total company adjusted receipts for calendar year 2004 5. _____

APPORTIONMENT

6. Enter Michigan gross direct premiums received 6. _____
7. Enter total gross direct premiums received everywhere 7. _____
8. Michigan apportionment percentage. Divide line 6 by line 7 8. _____ %
9. Apportioned Tax Base. Multiply line 5 by line 8 9. _____

DISABILITY INSURANCE EXEMPTION

10. Enter the disability insurance premiums written in Michigan, not including credit insurance or disability income, OR \$130,000,000, whichever is smaller 10. _____
11. Enter total gross direct premiums from all lines of insurance carrier services received everywhere 11. _____
- \$180,000,000
12. Subtract \$180,000,000. If less than zero, enter zero 12. _____
13. Exemption reduction. Multiply line 12 by 2 13. _____
14. Allowable exemption. Subtract line 13 from line 10. This amount can't be less than zero 14. _____
15. ADJUSTED TAX BASE. Subtract line 14 from line 9 15. _____
16. TAX BEFORE CREDITS. Multiply line 15 by 1.0735% (.010735) 16. _____

CREDITS

17. Enter amounts paid from 1/1/2003 to 12/31/2003 to each of the following:
a. Michigan Workers' Compensation Placement Facility 17a. _____
b. Michigan Basic Property Insurance Association 17b. _____
c. Michigan Automobile Insurance Placement Facility 17c. _____
d. Property and Casualty Guaranty Association 17d. _____
e. Life and Health Guaranty Association 17e. _____
18. Add lines 17a through 17e 18. _____
19. This year's credit is 100%. Carry the amount from line 18 here 19. _____
20. Michigan Regulatory Fees Credit _____ x 50% 20. _____
21. Add lines 19 and 20 21. _____
22. Subtract line 21 from line 16. If less than zero, enter zero 22. _____
23a. Contributions to **COMMUNITY FOUNDATIONS** 23a. _____
b. **CREDIT**. Enter the smaller of 50% of line 23a, \$5,000 or 5% of the tax on line 16 23b. _____
c. Enter the **code** for the foundation contributed to here. See instructions 23c.
24. Subtract line 23b from line 22 24. _____
25a. Contributions to **HOMELESS SHELTER/FOOD BANKS** 25a. _____
b. **CREDIT**. Enter the smaller of 50% of line 25a, \$5,000 or 5% of the tax on line 16 25b. _____
26. Subtract line 25b from line 24 26. _____
27a. Contributions to **COLLEGES AND PUBLIC LIBRARIES** 27a. _____
b. **CREDIT**. Enter the smaller of 50% of line 27a, \$5,000 or 5% of the tax on line 26 27b. _____
28. Subtract line 27b from line 26 28. _____
29. Nonrefundable credits from C-8000MC, line 82. See instructions 29. _____
30. **TAX AFTER CREDITS**. Subtract line 29 from line 28 30. _____

Domestic insurers go to page 2, line 47. Foreign and alien insurers go to page 2, line 31.

PAYMENT

61. Write the amount entered on page 2, line 57 **PAY THIS AMOUNT** 61. _____

Attach check here

31. Enter the amount from line 30 31.

32. State of incorporation tax	32.
33. Michigan single business tax from line 31.....	33.

34. Annual statement filing fee	34.
35. Certificate of Authority renewal fee	35.
36. Certificate of Compliance.....	36.
37. Certificate of Deposit	37.
38. Certificate of Valuation	38.
39. Enter the total of other fees paid in the state of incorporation. Attach a detailed schedule of fees	39.
40. Fire Marshall Tax	40.
41. Second Injury Fund	41.
42. Silicosis & Dust Disease Fund	42.
43. Safety Education and Training Fund.....	43.
44. Enter the total of all other assessments. Attach a detailed schedule of assessments	44.

45. Total taxes and assessments. Add lines 32 - 44 **45.**

46. Retaliatory amount. Subtract line 45 column B from column A; not less than 0 **46.** _____

47. Amount due. Add lines 31 and 46. Domestic insurers enter the amount from line 30 **47.**

48. Credit forward from 12/31/2003 SBT return, line 60	48. _____
49. Estimated tax payments	49. _____
50. Tax paid with request for extension	50. _____
51. Refundable Credits from C-8000MC, line 14	51. _____

52. Total Payments. Add lines 48 through 51 **52.**

a. Add to line 52 any payment of tax made with the original return
OR

b. Subtract from line 52 any refund of tax received with the original return

c. Net payments

Amended filers use line 53 instead of line 52 for all references below.

54. TAX DUE. Subtract line 52 from line 47. If less than zero, leave blank **► 54.**

55. Underpaid estimate penalty and interest. See instructions 55.

56. Annual return penalty at _____ % = _____ .00 and interest at _____ % = _____ .00 56.

57. **PAYMENT DUE.** Add lines 54 - 56. Enter this amount here and on page 1, line 61 57.

58. OVERPAYMENT. If line 52 is more than line 47, subtract line 47 from line 52 58. _____

59. Enter the amount of overpayment on line 58 to be **refunded** ▶ 59. _____

60. Enter the amount of overpayment on line 58 to be **credited forward** ▶ 60. _____

This return must be filed by March 1, 2005.

SIGNATURE AND PREPARER AUTHORIZATION			
TAXPAYER'S DECLARATION <i>I declare under penalty of perjury that this return is true and correct to the best of my knowledge.</i>		PREPARER'S DECLARATION <i>I declare under penalty of perjury that this return is based on all information of which I have any knowledge.</i>	
		I authorize Treasury to discuss my return with my preparer. <input type="checkbox"/> Yes <input type="checkbox"/> No	Preparer's Signature
Taxpayer's Signature		Date	
Title		Business Address and Telephone	

Instructions for Form 1366, Insurance Company Annual Return for SBT and Retaliatory Tax

General Information

① The effective tax rate for the 2004 tax year is 1.0735%.

This return is due March 1, 2005.

Who Must File

All insurance companies must file this return.

If apportioned or allocated gross receipts are less than \$350,000, then it is not necessary to complete the SBT portion of this return. Foreign or alien insurers whose gross receipts are less than \$350,000 must still complete the retaliatory section of the return on lines 32-46.

All insurers, domestic and foreign, must submit copies of *Schedule T* and the *Michigan Business Page* when filing this return.

Signing the Return

All returns must be signed and dated by the taxpayer or the taxpayer's authorized agent. If someone else has prepared the return, the preparer must also sign it and give his or her business address and telephone number in the space provided.

Rounding Figures

Report all amounts in whole dollars. Round amounts of 50 cents or more up. Carry all percentages to six decimal places. Do not round percentages. For example, 24.154256 percent becomes 24.1542 percent (.241542).

Filing Estimated Tax Returns

Estimates must be paid in any year that the annual tax liability is expected to be more than \$600. Estimates must equal at least 85 percent of the current year tax liability, or equal the tax liability for the previous year if the tax was less than \$20,000, provided these payments are made in 4 timely equal payments. If they are not, the taxpayer will be charged penalty and interest. Quarterly estimate payments are due on April 30, July 31, October 31 and January 31.

Computing Penalty and Interest

By law, penalty is 5% of tax due. Penalty increases by an additional 5% per month, or fraction thereof, after the second month to a maximum of 25%. This applies to annual and estimated returns.

How to Get Forms

If additional forms are needed, visit Treasury's Web site at: www.michigan.gov/treasury

Contacting Treasury

For general questions, call the Customer Contact Division, Single Business Tax Unit, at (517) 636-4700.

Line-By-Line Instructions

Lines not listed are explained on the form.

Line 2: Enter the Federal Employer Identification Number (FEIN) or the Treasury assigned (TR) number. If the taxpayer doesn't have an account number, one will be assigned. This number must appear on all documents sent to Treasury.

Line 3: Check the box to indicate the company's status. Alien insurance companies check "foreign," unless the port of entry is Michigan, in which case the company is considered "domestic" for the filing of this return.

Adjusted Receipts

Line 5: Enter the amount of total company adjusted receipts for the period.

Gross Receipts Checklist

1. Rental and royalty receipts, unless received from an affiliated insurance company or an insurance agent for the company.
2. Gross direct premiums received.
3. Receipts from administrative services only (ASO) contracts with a person who is not an affiliated insurance company or an affiliated nonprofit corporation.
4. Receipts from a business activity other than the business of insurance.
5. Charges attributable to premiums paid on a deferred or installment basis.
6. Servicing carrier fees received from the Michigan auto insurance placement facility.

Excluded Receipts

1. Receipts from interest, dividends, or proceeds from the sale of assets.
2. Receipts on the sale of annuities.
3. Receipts on all reinsurance transactions.
4. Any income which is a flow through from a partnership or other entity whose business activities would be taxable under the Single Business Tax Act.

Apportionment

Line 6: Enter Michigan gross direct premiums received excluding annuity considerations and reinsurance assumed.

Line 7: Enter total gross direct premiums received everywhere excluding annuity considerations and reinsurance assumed.

Disability Insurance Exemption

Line 12: Subtract \$180,000,000 from the amount entered on line 11. If the result is less than zero, enter zero on line 12.

Credits

Line 17: Enter the amounts paid to the listed facilities or associations from 1/1/2003 to 12/31/2003, the year immediately preceding the 2004 tax year, including special assessments. Net amounts paid and refunds received during the 2003 tax year for the same facility. If refunds received exceed the amount paid in the year for the same facility, enter zero.

Line 19: This year's credit percentage is 100%. Carry the amount on line 18 here.

Line 20: Enter the amount of Michigan regulatory fees paid in 2004 (under MCL 500.224). Multiply this amount by 50 percent and enter the result on line 20.

Line 22: Subtract line 21 from line 16. If line 21 is greater than line 16, enter zero. The credit on line 21 may not be carried forward to another taxable year.

Line 23, Community Foundation Credit: To be eligible for this credit, the taxpayer must have donated to a Michigan foundation that has been certified by the Michigan Department of Treasury. For a complete list of certified foundations, see page 17. Enter the code for the foundation contributed to. The credit will not be received if the proper code is not entered. The credit is limited to the smallest of 50 percent of the contribution, 5 percent of tax on line 16, or \$5,000.

Line 25, Homeless Shelter/Food Bank Credit: A partial credit is allowed when making a cash donation to a qualifying shelter for

homeless persons, food kitchen, food bank or other entity whose primary purpose is to provide overnight accommodations, food or meals to indigent persons. The credit is limited to the smallest of 50 percent of the contribution, 5 percent of tax on line 16 or \$5,000. For more information, request *Revenue Administrative Bulletin 1992-10*.

Line 27, Public Contribution Credit (Public Colleges and Libraries): A partial credit is allowed when donating during the taxable year to institutions of higher learning located in Michigan, Michigan public libraries, the Michigan colleges foundation, public broadcasting stations located in Michigan and any nonprofit corporation, fund, foundation, trust or association organized and operated exclusively for the benefit of institutions of higher learning located in Michigan. The credit is limited to the smallest of 50 percent of the contribution, 5 percent of tax on line 26, or \$5,000.

Line 29, Nonrefundable Credits: If claiming an Enterprise Zone Credit, a Michigan Economic Growth Authority (MEGA) Business Activity Credit, a Renaissance Zone Credit, a Michigan Historic Preservation Tax Credit, a Low-Grade Hematite Pellet Credit, or a Brownfield Redevelopment Credit, complete Form C-8000MC, *SBT Miscellaneous Credits*, enter the amount from line 28 of this form on C-8000MC, line 17. Enter the amount from Form C-8000MC, line 82, here. Attach Form C-8000MC to the return.

① **Note:** Form C-8000MC is historically filed as a schedule with Form C-8000, *SBT Annual Return*. The line references on Form C-8000MC will not apply to this return.

Retaliatory Instructions

(For foreign and alien insurers only; domestic insurers skip lines 31-46)

Include with the return a copy of the State of Incorporation tax form on which Michigan premiums were reported.

Do not mail this return with the Michigan annual financial statement, and do not send the annual statement filing fee with this return. The taxpayer will be billed separately for the annual statement filing fee by the Michigan Insurance Bureau.

Enter all items that are required of a Michigan insurance company. In some instances, there will be taxes and obligations imposed in other states for which Michigan has no corresponding requirement. Because of the manner of this calculation, completing these items on a Michigan basis may be difficult. Nonetheless, difficulty of calculation does not excuse a foreign insurer from paying to Michigan the same type of obligation a similar Michigan insurer is required to pay in the company's state of domicile.

Do not include the following Michigan assessments, or comparable assessments in the company's state of incorporation, in the retaliatory calculation:

The Michigan Workers' Compensation Placement Facility.

The Michigan Basic Property Insurance Association.

The Catastrophic Claims Association.

The Michigan Auto Insurance Placement Facility.

The Michigan Life and Health Insurance Guaranty Association.

The Property and Casualty Guaranty Association.

California insurers must include Bureau of Fraudulent Claims assessments. New York domiciled companies **must file** and pay a tentative retaliatory tax to Michigan by the annual due date, March 1, 2005. An **amended** return must be filed 30 days after the actual CT33 return is filed with New York. Do not submit a photocopy of the actual CT33 return. We cannot process them and will return them. Transfer the CT33 numbers onto the amended Form 1366.

Lines 32 - 47. In the Michigan column, enter actual payments made to Michigan. In the State of Incorporation column, enter the payments that would have been payable by a similar Michigan company doing business in the company's home state.

Line 32: Enter the tax a Michigan company would pay in the state of incorporation for the company's Michigan business. Attach a copy of the state's tax form on which Michigan premiums were reported.

Lines 40 - 44: Attach proof of payment for any items listed in the Michigan column. Itemize any other assessments not listed. Attach a separate list if necessary.

Line 46: Subtract line 45, column B from line 45, column A. This amount can't be less than zero. If line 45, column B is a negative number, add column A to the negative number in column B. This will increase the retaliatory amount reported.

Payments

Line 49: Enter the total tax paid with the quarterly tax returns.

Line 50: Enter any tentative payment of estimated tax made with a request for more time to file the return.

Line 51, Refundable Credits. If claiming a Michigan Economic Growth Authority (MEGA) Employment Tax Credit, a Workers Disability Supplemental Benefit (WDSB) Credit, or an Apprenticeship Credit, see *SBT Miscellaneous Credits* (Form C-8000MC). **Enter the amount from Form C-8000MC, line 14, here.** Attach Form C-8000MC to the return.

Line 55 and 56, Penalty and Interest. See "Computing Penalty and Interest" under General Information.

Mailing instructions

Mail the return to:

With payment:

**Michigan Department of Treasury
Dept. 77229
Detroit, MI 48277-0229**

Without payment:

**Michigan Department of Treasury
P.O. Box 30059
Lansing, MI 48909**

Make checks payable to "State of Michigan." Write the FEIN on the remittance.